

To Whom It May Concern:

I am unable to testify in person regarding Senate Bill 22, but wish to share my support for a reduction of sales tax and an elimination of the 1% meals tax through the end of 2022.

In fact, I don't think this Senate Bill goes far enough. Governor Lamont has stated that the State of CT has an overflowing rainy day fund. With increased tax revenue from inflationary cost increases at the register, the State of Connecticut and its legislators would be taking unfair advantage of the citizens of this great State if they did not support reducing the sales tax. SB22 proposes a much better option for taxpayers than other proposals, as it would have a direct effect on what and how much they can purchase. I believe that it should be a permanent tax cut, offering relief to all taxpayers in the state, especially to the most vulnerable and typically the most underserved of our citizens.

Alternately, the current administration recommends reducing the cap on Motor vehicle taxes, among other cuts or credits, from 45 mills to 29 mills. In our small town of Scotland, that has a huge impact. At our current mill rate of 38 mills, our revenue from M/V tax is expected to be approximately \$601,380 based on the 2021 Grand List. With the proposed reduction to 29 mills, that reduces our revenue to \$458,948, resulting in a shortfall of **over \$142K**.

The Lamont administration indicates that municipalities would be reimbursed for lost revenue, but we all know that the reimbursement would stop as soon as spending increases or budgets fall short. It always does. Just look at how ECS funding is doled out. Municipalities can't properly budget when a portion of their revenue is wholly dependent on whatever grant funding or aid the State sees fit to send our way.

The small towns like ours would suffer, because poorly designed election year tax cuts would only result in cuts to our municipal budgets, our education budgets and services to our residents down the road. It's just sleight of hand.

It sounds great on the surface, tempting voters with tax cuts, but when you effectively eliminate this revenue from our budget, the money still has to come from somewhere. It's not a tax cut, it's a tax increase, because our property tax has to go up to cover that shortfall, in order to continue providing essential services.

Reduction of the sales tax across the board would be a much better solution, offering immediate relief at the cash register. SB22 could go further in the percent of reduction and apply the tax to all sales across the board, but this is a good starting point for discussion.

I am thankful that the Senate Republicans are offering this meaningful legislation, and I implore all CT Senators to take positive action for our citizens, and pass legislation reducing the sales tax for all.

Thank you for your consideration,

Wendy Sears
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